

DEPT OF STATE review(s) completed.

JCS review(s) completed.

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GENERAL

1. US opposes removal of Iranian case--Stettinius proposed to express to the Security Council on 16 April the US view that (a) the Council has the power to continue the Iranian question on its agenda despite Iran's request for withdrawal, and (b) it would be unwise for the Council to drop the question even though both parties have so requested. Stettinius also planned to remind the Council that Iran's sudden reversal of position occurred "while Soviet troops were still physically in Iran."

Embassy Tehran on 15 April expressed to the State Department its hope that the Council would be able to "read between the lines" of Ala's request to the Council to remove the Iranian case from the agenda and would realize that "it was the result of duress."

(Stettinius talked informally with Ala twice on 15 April. Ala first declared that he was not sure he would execute Qavam's instructions and was considering resigning. Later Ala said he had reconsidered and would not resign, but would present the Iranian statement to the Council.)

In response to Qavam's inquiry of 11 April (asking whether the US could influence the Council to maintain a "favorable attitude" toward Iran, if the case were withdrawn), Secretary Byrnes on 12 April had instructed Embassy Tehran to inform Qavam that if he now indicated a willingness to have the case dropped, (a) it would suggest that Iran desired the Council's aid merely to further Iranian-Soviet negotiations and not because the presence of Soviet troops threatened international peace; (b) the Council might consider it should not engage in protracted and acrimonious discussions in order to uphold the integrity and independence of a country which is unwilling to maintain a firm stand in its own behalf; and (c) Iran can hardly expect any Government to give serious consideration to any future appeals. Byrnes advised Qavam (a) to allow the Security Council to decide whether the case should be dropped, (b) to stand firm in respecting the Council's previous decision and (c) to report to the Council on 6 May as requested.

Qavam, with evident misgivings and after long discussion, informed Embassy Tehran on 13 April that he would follow the recommended course [redacted] Qavam appeared very reluctant to risk offending the Soviets, because he feared that they might withdraw from Iran as agreed but (a) arm the Azerbaijanis and encourage them to resist the Central Government, and (b) when Government and Azerbaijani forces clashed, assert the right to intervene to protect Soviet frontiers. Qavam gave the Embassy's representative no indication that he would direct Ambassador Ala to state that he had

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complete confidence in the Soviet pledge to withdraw. The Embassy believes that Qavam's pro-Soviet propaganda minister Firuz persuaded the Premier to authorize that statement.

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4. US opposes substantial reparation demands on Italy--Secretary Byrnes in a message to Dunn has reiterated the strong US opposition to substantial reparation demands on Italy and has stated that the US will not make material concessions on this point, even at the cost of failure to reach an agreement with the Soviets on the Italian Treaty. Byrnes points out that the US is giving economic assistance to Italy and heavy reparations would necessitate one of two unacceptable courses: (a) termination of such assistance, or (b) indirect payment by the US of Italian reparations to a third country.

EUROPE-AFRICA

5. RUMANIA: US protests confiscation of American property--The State Department has instructed General Schuyler, US delegate ACC, to make strong representations to the Soviet Chairman ACC concerning the recent confiscation of American property under the nationalization provisions of the Rumanian agrarian reform law. The note denies the Soviet contention that this is purely a Rumanian affair, and points out that (a) until peace is signed, the terms of the Armistice prohibit the confiscation by Rumania of United Nations property, (b) it is the responsibility of the USSR to insure Rumanian fulfillment of the Armistice terms and

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(c) the USSR should therefore inform the Rumanian Government that its agrarian reform law is null and void insofar as United Nations property is concerned.

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7. BELGIUM: Views on Germany's future--Ambassador Kirk reports, on the basis of conversations with responsible Belgian officials, that the Belgians would welcome (a) the voluntary dissolution of the Reich into its historic states without forced artificial dismemberment, and (b) prolonged economic control by the Allies of the Ruhr and Rhineland areas without political separation. Foreign Minister Spaak has strongly represented to the US, British, and French Embassies his Government's desire for a hearing when the forthcoming Paris Conference of Foreign Ministers takes up German issues.

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9. USSR: Press censorship relaxes--According to Ambassador Smith, Soviet censorship of US press reports from Moscow has shown a marked relaxation during the past two weeks

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FAR EAST

10. JAPAN: General MacArthur, in a message to the US representative on the Far East Commission, contends that the Commission is not empowered to pass upon the revision of the Japanese constitution. The message asserts that it is inconsistent with established US policy to take "formal action on any constitutional reform finally adopted by the Japanese people," provided that such reform is in agreement with "existing Allied policy." He asserts that "a planned and concerted attack" upon US control of Japan is being carried on in the Commission and urges that the US position be protected in every possible way, including the employment of the veto power in the Commission.

On 15 April Bishop, Acting Political Advisor to MacArthur, urged the State Department to give "every possible support" to the MacArthur position.



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12. CHINA: Loan announcement deferred--The State Department, prior to General Marshall's departure from Washington, agreed to defer announcement of the 500 million dollar Export-Import Bank credit for China as requested by US authorities in Chungking.



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